



STATE OF WEST VIRGINIA  
OFFICE OF THE ATTORNEY GENERAL  
DARRELL V. MCGRAW, JR.  
CONSUMER PROTECTION DIVISION  
1-800-368-8808 or 304-558-8986

# Press Release

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## FOR IMMEDIATE RELEASE

**November 21, 2007**

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### **Bankruptcy Court Grants Attorney General Darrell McGraw's Motion to Allow Action to Enforce Police and Regulatory Powers Against Iams Funeral Home**

At a hearing on November 19, 2007, Bankruptcy Court Judge Patrick Flatley ruled the action brought by Attorney General Darrell McGraw, and currently pending against John L. Iams, II and Iams Funeral Home, Inc. in Wetzel County Circuit Court, could go forward despite the fact Iams Funeral Home filed for bankruptcy two days after the Wetzel County case was filed.

The lawsuit was filed after three audits discovered numerous violations of the Preneed Act, including the failure of the Defendants to obtain a Certificate of Authority to sell, maintain and perform preneed contracts.

The Defendants, represented by Hiram Lewis, argued the bankruptcy filing stayed the Wetzel County proceedings and prevented the transfer of the preneed contracts. However, the Judge ruled the case could proceed in Wetzel County because the Attorney General is enforcing its police and regulatory powers on behalf of consumers. The Judge also denied the Defendants' motion for damages from the State.

At a previous hearing, Judge John T. Madden had ordered John L. Iams, II, and Iams Funeral Home to cease and desist from selling, maintaining or performing preneed funeral contracts. He also ordered the transfer of all Iams' open preneed funeral contracts to other funeral homes within thirty days of the entry of the order. The order was also entered on November 19, 2007.

"The decision allows the Consumer Protection Division of my office to uphold its statutory responsibility to enforce the Preneed Funeral Contracts Act and protect consumers," said Attorney General McGraw.

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808.

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